

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
HEALTH CARE FINANCING ADMINISTRATIONFORM APPROVED  
OMB NO. 0938-0193

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION</b>	1. TRANSMITTAL NUMBER  02-16	2. STATE:  <b>ILLINOIS</b>
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE: April 1, 2002	

## 5. TYPE OF PLAN MATERIAL (Check One)

☐ NEW STATE PLAN ☒ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☐ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:	7. FEDERAL BUDGET IMPACT a. FFY 02 \$2.65 Million b. FFY 03 \$5.3 Million
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  Attachment 4.19B Page 33	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19B page 33

## 10. SUBJECT OF AMENDMENT:

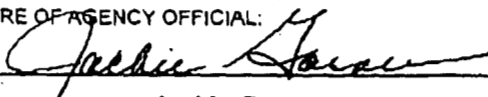
**Physician services**

## 11. GOVERNOR'S REVIEW (Check One)

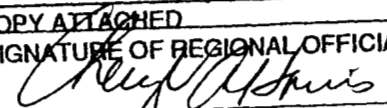
- ☐ GOVERNOR'S OFFICE REPORTED NO COMMENT  
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

Not submitted for review by prior approval.

12. SIGNATURE OF AGENCY OFFICIAL: 	16. RETURN TO:  <b>ILLINOIS DEPARTMENT OF PUBLIC AID 201 SOUTH GRAND AVENUE, EAST SPRINGFIELD, IL. 62763-0001 ATTENTION: John Rupcich</b>
13. TYPED NAME: Jackie Garner	
14. TITLE: DIRECTOR	
15. DATE SUBMITTED	

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED: MAY 24 2002	18. DATE APPROVED: 9/18/02
PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL:	20. SIGNATURE OF REGIONAL OFFICIAL: 
21. TYPED NAME: Cheryl A. Harris	22. TITLE: Associate Regional Administrator Division of Medicaid and Children's Health
23. REMARKS:	

**RECEIVED**

MAY 24 2002

DMCH - IL/IN/OH

Attachment 4.19-B  
Page 33State Illinois

## METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPE OF CARE - BASIS FOR REIMBURSEMENT

5. OVER-THE-COUNTER DRUGS: Lesser of the usual and customary charge to the general public or the Wholesale cost plus up to 50 percent.
6. OTHER LABORATORY AND X-RAY SERVICES: Lesser of the usual and customary charge to the general public or statewide maximums established by the Department not to exceed the upper limits specified in Federal regulations.
7. PHYSICIAN'S SERVICES: Reimbursement for physician services are at the physician's usual and customary charges, not to exceed the maximum established by the Department. Initially, maximum fee-for-service rates were established in 1978 when the Department reviewed the average charges for each of the allowable services. The Department agreed to set the statewide maximum amount at 70 percent of the average charge by physician. Annually the Department analyzes cost information and procedure code utilization of physician bills presented for Medicaid reimbursement of services rendered. The rate maximums are periodically adjusted based upon the above factors.

Providers statewide who meet the participation requirements for the Maternal and Child Health Program or qualify by the exception process receive enhanced reimbursement rates for services provided to pregnant women and children through age 20 who are participants in the MCH Program. The enhanced rates include:

- payment for performing a prenatal risk assessment (\$15);
- payment for performing risk assessments on children (\$15);
- increased reimbursement for deliveries (\$400 additional);
- a \$10 increase in the EPSDT screening rate; and
- an 8 percent increase in the reimbursement rate for office visits for children.

04/02 Physicians employed by government-operated entities other than hospitals, long term care facilities, and cost-reporting clinics.

For services provided by salaried physicians employed by a government-operated entity that is not a hospital, long term care facility, or cost-reporting clinic, the State or local government agency operating that entity may elect to enter into an interagency or intergovernmental agreement, as appropriate, with the Department that specifies the responsibilities of the two parties with respect to physician services provided by the entity and the funding thereof, including the certification of the expenditure of public funds by the agency in support of such services.

The rate for physician services shall be cost. The cost shall be computed, on a claim by claim basis, as the product of the provider's charge for the service, multiplied by the entity-specific cost-to-charge factor.

The cost-to-charge factor shall be quotient of the difference of:

- a. The government agency's documented expenditures for physician services provided by the entity; less
- b. Any funds derived from a federal funding source; and
- c. Any funds otherwise used a State or local match for other federal funds; divided by the entity's total charges for physician services provided.

The cost-to-charge factor shall be determined annually from charge, expenditure, and reimbursement information certified by the State or local government agency that operated the entity. The certification shall be completed at the end of the agency's fiscal year. It shall be prepared and transmitted in a form and format specified by the Department.

TN# 02-16  
Supersedes  
TN# 02-09

Approval Date \_\_\_\_\_

Effective Date 04-01-02